

**DEPARTMENT OF LABOR AND EMPLOYMENT  
FY 2007-08 BUDGET HEARING**

**Monday, January 8, 2007  
10:30 a.m. to 12:00 noon**

**10:30 – 10:40**

**Introductions and General Overview**

**10:40 – 11:00**

**Common Questions ( possibly affecting more than one Division)**

**Performance Measures**

1. What are the Department's top five goals? Why, out of 197 measurements, are these the top five?
2. How would the Department assess whether there is bias in the resolution processes? How would the Department determine the fairness of outcomes? Does the Department conduct surveys of employers or employees on the fairness of outcomes?
3. How do your performance measures influence department activities and budgeting?
4. To what extent do the performance outcomes reflect appropriation levels?
5. To what extent do you believe that appropriation levels in your budget could or should be tied to specific performance measure outcomes?
6. As a department director, how do you judge your department's performance? What key measures and targets do you use?

**Implementing Legislation Concerning Illegal Immigration: H.B. 06S-1023 and H.B. 06S-1009**

7. Provide a list of programs in your department that are subject to the provisions of the two bills.
8. How has your department implemented the provisions of the two bills? What problems have been encountered in implementing them?
9. Provide an estimate of the costs your department will incur in FY 2006-07 to implement the bills. Are any additional costs anticipated in FY 2007-08? If so, please elaborate.

10. Provide a summary of anticipated savings in FY 2006-07 in your department as a result of not providing services to individuals who are in the country illegally. Are any additional savings anticipated in FY 2007-08? If so, please elaborate.

### Questions Regarding H.B. 06-1343

11. The intent of the legislation was that it be applied to new employees only, not existing employees. Has the Department interpreted it in this fashion?
12. Why wasn't H.B. 06-1343 funded from cash sources? What was the rationale for using General Fund dollars?
13. Please provide an update on the results of H.B. 06-1343.

### Proposal to Eliminate "Cash Funds Exempt" in the Long Bill

14. **Background.** Joint Budget Committee staff has proposed eliminating the current "Cash Funds Exempt" column in the Long Bill and replacing it with a new column entitled "Transfers" effective with the **FY 2008-09 Long Bill**. The Joint Budget Committee has not formally voted on this issue. For details of the proposed change, please read the Joint Budget Committee staff memo from November 15, 2006, entitled "Proposed Long Bill Format Change." To help departments understand the new format, our staff has prepared an example of the Department of Revenue FY 2006-07 Long Bill in the proposed new format. This memo, and the example from the Department of Revenue, can be downloaded from the JBC web page at the following Internet address:

[http://www.state.co.us/gov\\_dir/leg\\_dir/jbc/PLBFC11-15-06.pdf](http://www.state.co.us/gov_dir/leg_dir/jbc/PLBFC11-15-06.pdf)

**Question.** Please provide the Joint Budget Committee with a summary of any potential concerns that your department may have regarding the proposed change to the Long Bill format. Please highlight potential issues such as: implementation challenges, workload issues, and other related concerns.

### Miscellaneous Questions

15. How are the 1,091 FTE in the Department geographically distributed? How many work in a central office, and how many work in satellite offices? Where are the satellite offices located?
16. Why are the inspection and safety functions included in CDLE rather than in the Department of Health or the Department of Public Safety? Would these be better placed in another department? Why or why not?

## **Budget Request Questions**

**11:00 – 11:15**

17. Why do the increased salaries and benefits require a 9% increase in General Fund dollars? Does the General Fund require a larger burden of salary survey and health, life, and dental benefits than cash-funded and federal-funded programs?
18. What have the Department's vacancy savings been as of December 31? How is the Department utilizing those vacancy savings?
19. With respect to Decision Item #1, why do the federal funds decrease in this decision item? Is there a corresponding increase in another line item to reflect the usage of the federal funds elsewhere?
20. With respect to Decision Item #1, how can the Department use these federal funds for another purpose?
21. With respect to Decision Item #1, is the federal pay scale the same as the state classified positions? If so, why doesn't the federal government pay for this expense? If not, why do we have to use the state system?
22. With respect to Decision Item #2, did the Department request funds for this purpose last year? If so, was the request granted?

## **Unemployment Insurance and TABOR**

**11:15 – 11:35**

23. How is unemployment insurance accounted for in the federal budget? For what purposes does the federal government use the money that it keeps for overhead? How much does the federal government get to keep for overhead?
24. Did the General Assembly transfer money from the unemployment insurance fund during the downturn to balance the budget?
25. How often are the tax rates, including the solvency surcharge, adjusted? Would the solvency surcharge only be triggered in the case of a major recession? Is the solvency surcharge performing in the ways that it was anticipated to work when it was established?
26. Could the General Assembly change the wage base formula without a vote of the people?
27. What restrictions does federal statute impose on the states with regard to adjustments in the tax and benefit formulas?

28. Does the Department concur with the JBC staff's analysis of the situation? Are there degrees of flexibility that have not been considered, or additional constraints that would reduce flexibility further that have not been included?
29. Can the Department suggest any solutions that do not require a vote of the people? If so, please elaborate.
30. If the General Assembly were to refer a set of proposed changes to the voters, what statutory changes might provide relief from the potential problems? Are statutory changes sufficient, or would constitutional changes be necessary?

### **Major Medical and Subsequent Injury Funds**

**11:35 – 11:45**

31. How would the Department prefer to see the TABOR emergency reserve requirements, currently \$40 million to each fund, be split between the SIF and the MMIF? What concerns of the Department would be addressed by such a change?
32. What does the Department see as the possible consequences if the workers' compensation insurance premium surcharge were determined to be a tax that falls under the TABOR restrictions, rather than a fee which can be adjusted up or down?
33. What does the Department see as the possible consequences if the target of actuarial balance were pushed into the more distant future? What are the possible consequences if an earlier date than currently predicted were set as a target for balance?

### **Project Genesis Update**

**11:45 – 12:00**

34. What is Accenture doing about the problems experienced with the unified desktop component?
35. What factors have changed that make it probable that the Department will be able to successfully execute the acquisition of tax and benefits IT components for the UI program this time?
36. What have other states done differently than Colorado that allowed them to successfully acquire the components which are being considered in the reuse option?
37. When will the Department be able to advise the Joint Budget Committee as to the likely cost for procuring these components? Will the Department be able to make its formal budget request in time for the Legislature to deal with it during the upcoming session?